

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY TEGUCIGALPA PRIORITY

C O N F I D E N T I A L STATE 196505

E.O. 11652: GDS

TAGS: EFIN, HO

SUBJECT: DEL WEBB, INC., CLAIM

1. DEPARTMENT REPRESENTATIVE MET AUGUST 2 WITH JOHN BYRNE, VICE PRESIDENT, DEL WEBB INTERNATIONAL. BYRNE IS MAKING THE ROUNDS ON CAPITOL HILL IN AN EFFORT TO OBTAIN SUPPORT FOR AMENDMENT TO FOREIGN ASSISTANCE BILL THAT WOULD SUSPEND ASSISTANCE TO HONDURAS PENDING RESOLUTION OF WEBB CLAIM. WHILE THUS FAR HE APPARENTLY HAS NOT BEEN SUCCESSFUL IN OBTAINING BROAD SUPPORT FOR SUCH LEGISLATIVE ACTION, CONGRESSMEN RUDD AND SANTINI HAVE MADE SPEECHES ON THE HOUSE FLOOR EXPRESSING HOPE THAT A NEGOTIATED SOLUTION OF THE CLAIM WILL BE FORTHCOMING PROMPTLY, AND LINKING THEIR CONCERN OVER THE MATTER TO U.S. ASSISTANCE TO HONDURAS. BYRNE INDICATED THAT SENATOR DECONCINI OF ARIZONA IN PARTICULAR WAS CONCERNED AT THE LACK OF ACTION ON THE PART OF THE GOH, AS HE HAD PERSONALLY MET WITH FINANCE MINISTER ZAVALA AND HAD BEEN ASSURED THAT ZAVALA WOULD PERSONALLY SEEK TO EXPEDITE GOH CONSIDERATION OF THE WEBB CLAIM.

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CLAIM WHICH WAS TRANSMITTED TO ZAVALA LAST AUGUST.

2. BYRNE HAS INDICATED TO US THAT THE PRINCIPAL PURPOSE OF WEBB'S EFFORTS IS TO FORCE THE INITIATION OF

SUBSTANTIVE DISCUSSIONS WITH THE GOH CONCERNING THEIR CLAIM. HE STATED THAT WERE AN EXPRESSION OF WILLINGNESS

TO ENTER INTO DISCUSSIONS FORTHCOMING FROM THE GOH, WEBB WOULD NO LONGER FIND IT NECESSARY TO PRESS THEIR CLAIM WITH THE CONGRESS.

3. WE ADVISED BYRNE THAT WHILE WE WERE NOT TAKING ANY POSITION ON THE MERITS OF THE WEBB CLAIM, THE DEPARTMENT DOES PROVIDE U.S. INVESTORS INVOLVED IN INVESTMENT DISPUTES OVERSEAS WITH APPROPRIATE ASSISTANCE TO FACILITATE MUTUALLY SATISFACTORY RESOLUTION OF SUCH MATTERS BETWEEN THE INVESTOR AND THE FOREIGN GOVERNMENT CONCERNED. IN CONNECTION WITH THE WEBB MATTER, WE INDICATED THAT IT WOULD BE APPROPRIATE FOR THE EMBASSY TO RAISE WITH THE GOH OUR CONCERN OVER THE LONG DELAY THAT HAS ELAPSED SINCE WEBB'S TRANSMISSION OF THEIR CLAIM TO GOH IN AUGUST 1977, WITHOUT A FORMAL REPLY FROM THE GOH. (WEBB HAS RECEIVED COPIES OF THREE STAFF MEMORANDA PREPARED WITHIN VARIOUS MINISTRIES OF THE GOH, BUT WE AGREE WITH WEBB'S VIEW THAT THESE DO NOT CONSTITUTE AN OFFICIAL REPLY TO THEIR CLAIM.) BYRNE INDICATED THAT WHILE AN OFFICIAL WRITTEN RESPONSE TO THEIR CLAIM WOULD BE HELPFUL, WEBB WOULD PREFER THAT THE GOH AGREE TO MEET WITH THEM TO DISCUSS THE CASE EITHER IN THE U.S. OR IN HONDURAS AT THE OPTION OF THE GOH.

4. UNLESS YOU PERCEIVE OBJECTIONS, DEPARTMENT REQUESTS THAT EMBASSY CONTACT APPROPRIATE OFFICIALS OF GOH ALONG
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THE FOLLOWING LINES:

(A) WE HAVE BEEN ASKED BY REPRESENTATIVES OF THE DEL WEBB COMPANY TO DETERMINE THE STATUS OF THEIR CLAIM WHICH WAS SUBMITTED TO MINISTER ZAVALA LAST AUGUST. WHILE THE DEPARTMENT HAS NOT TAKEN ANY POSITION ON THE MERITS OF THIS CLAIM, WE BELIEVE THAT IT WOULD BE MUTUALLY BENEFICIAL THAT THE MATTER BE RESOLVED AS PROMPTLY AS POSSIBLE.

(B) IN THIS CONNECTION, WE BELIEVE IT WOULD BE USEFUL IF THE GOH COULD EXPEDITE ITS PROCESSING OF THE WEBB CLAIM AND PROVIDE WEBB WITH A RESPONSE. IN OUR VIEW, DIRECT DISCUSSIONS BETWEEN THE TWO PARTIES CONCERNED ARE THE MOST EFFECTIVE MEANS OF ACHIEVING A PROMPT AND MUTUALLY SATISFACTORY SOLUTION. REPRESENTATIVES OF THE WEBB COMPANY HAVE ADVISED US THAT THEY WOULD BE PLEASED TO MEET WITH APPROPRIATE REPRESENTATIVES OF THE GOH AT THEIR CONVENIENCE.

(C) ACCORDINGLY, WE WOULD HOPE THE GOH WOULD BE WILLING TO SCHEDULE A MEETING WITH WEBB, AS PER THEIR REQUEST OF LAST AUGUST, TO REVIEW THE MATTER

5. DAN FIGGINS, ARA/CEN, WHO IS CURRENTLY VISITING THE
EMBASSY, IS FAMILIAR WITH THE ENTIRE BACKGROUND OF THIS

CASE. IT WOULD BE HELPFUL IN TERMS OF OUR POSITION WITH
THE CONGRESS IF YOU COULD RAISE MATTER WITH GOH PROMPTLY
AND WE COULD THEN REPORT RESULTS OF YOUR CONTACTS TO WEBB
AND INTERESTED CONGRESSMEN. VANCE

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